

Town of Frederick Town Board



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Jim Wollack, Trustee

IM 2009- 014

Update on United Power Service and Billing Discussions

Agenda Date: Town Board Meeting - July 14, 2009

Attachments:

- a. Letter from Ruth R. Marks dated June 15, 2009.
- b. Letter from Marcia Lierman dated June 3, 2009

Issue/Request:

This is a report on communications between United Power representatives and Town staff aimed at resolving questions and concerns that were expressed during a United Power presentation at the February 10, 2009 Town Board meeting.

Submitted by:

Marcia Lierman *ML*
Finance Director

and Richard Leffler *RL*
Town Engineer

Approved for Presentation:

Gary R. Barbour *for Derek Todd*
Town Administrator

AV Use Anticipated

Projector _____ Laptop _____

Certification of Board Review:

Town Clerk

Date

Detail of Issue/Request:

At the February 10, 2009 Board meeting, United Power representatives presented information about electric rate structures and general information about the services that United Power provides to the Town under the Operation and Maintenance Services Agreement. The Town Board requested more detail and documentation to support the approximately \$100,000 per month payments for services that were listed in a handout from United Power. There have been continuing discussions about uncollected electric accounts and the accuracy and timeliness of invoices the Town receives from United Power.

United Power has provided a brief summary of system maintenance and repair work that their crews performed on the Town's electric distribution system but there has been no detailed breakdown of time and materials or costs associated with services provided. Discussions and meetings between the Town and United Power took place and various proposals were considered.

Town staff and attorney attended a meeting with Ruth R. Marks - Chief Operations Officer, Dean Hubbick – Manager of Consumer Relations and Engineering Design, and Antelia Salazar-Ball – Manager of Customer Service, on June 12, 2009 to discuss the issues raised in Marcia Lierman's letter of June 3, 2009, and related matters including the booking of electric system assets installed by Frederick developers. As presented in the attached letter from Ruth R. Marks, dated June 15, 2009, there is a commitment to move forward on a list of 7 items plus a proposal for resolving the uncollectible accounts issue.

The May statement and accompanying check have been received. Dean Hubbick and Dick Leffler have scheduled the first of regular monthly Operating Committee meetings for July 9. Antelia Salazar-Ball and Marcia Lierman have developed a plan to phase out the collection of United Power bills in Town Hall and develop other payment options as mentioned in the June 23 Administrative Report. The check for \$143,259.58 for a billing adjustment discovered by Marcia has been received. As of July 6, items 1, 3 and 4 have not been received. Although Marcia's letter of June 3 indicates these issues should be addressed before bringing the uncollectible accounts proposal to the Board, staff felt it would be appropriate to provide this update and see if the Board wishes to provide further direction to staff.

Legal/Political Considerations:

The Town Attorney's office has been involved in the discussions and meetings with United Power and is providing counsel to staff.

Alternatives/Options:

Staff and the Town Attorney's office will continue to work with United Power representatives to answer questions and concerns raised by the Board. Work will continue on the items included in Ruth Marks' letter unless other direction is given by the Board.

Financial Considerations:

Staff is waiting on detailed cost information before providing financial summaries.

Staff Recommendation:

Staff is seeking feedback and direction from the Board as discussions with United Power continue.